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SUBJECT: MARCH 4 MFA PRESS BRIEFING: PENTAGON REPORT ON PRC MILITARY, IRAN SANCTIONS, SIX-PARTY TALKS, U.S.-CHINA MILITARY HOTLINE, PLA BUDGET, RUSSIA, JAPAN DUMPLING CASE

- 11. Key points at the March 4, 2008 MFA Press Briefing were:
- -- China dismissed the Pentagon report on the Chinese military as "a serious distortion of facts" and accused the United States of adopting a "Cold War mentality."
- -- China does not encourage Chinese hackers to launch cyber-attacks on ${\tt U.S.}$ networks.
- -- China supported UN Security Council Resolution 1803 on Iran "not to punish" Tehran but to facilitate negotiations. The sanctions will not affect China-Iran trade.
- -- Communications between any of the Six-Party states has not been cut-off and remain "favorable."
- -- China is looking forward to working with Russian President Medvedev to move bilateral relations to a "new stage."

China is "Ready to Work" with Russia

12. During the March 4 regular MFA press briefing, spokesperson Qin Gang began by saying China believes under the leadership of President Medvedev Russia will attain "even greater achievements." Qin said China is ready to work with Russia to promote their strategic partnership and move bilateral relations to a "new stage."

Annual Pentagon Report on PRC Military

- 13. When asked to comment on the recently released annual Department of Defense report to Congress on the Chinese military, Qin said the Chinese Government is "resolutely against it" and characterized the report as "a serious distortion of facts." Qin said the report attempts to "interfere in China's internal affairs" and the United States should "drop the Cold War mentality" as well as "stop sending weapons to Taiwan."
- 14. When asked whether the Chinese Government and the People's Liberation Army (PLA) encourage Chinese civilians to hack into U.S. networks like the Pentagon, Qin dismissed the claim as "groundless." "I assure you China would never do that kind of thing," he stated.

PLA Budget Growth

15. Qin said the PLA's budget is "in line with China's national development." China is pursuing a path of peaceful development, promotes regional stability and is not a threat. China is opposed to "some countries' advocacy" of a "so-called China threat" because it interferes with China's internal affairs and is not good for bilateral relations.

U.S.-China Military Hotline

16. When asked who in the Chinese Government would be responsible for answering the U.S.-China military hotline, Qin said "who" is not important, but "mentality" is. If people do not drop their "Cold War mentality," hotlines will not help. China hopes to continue building stronger U.S.-China military cooperation and mutual trust. When asked when the U.S.-China military hotline would become operational, Qin sad this was still being discussed. UN Security Council Sanctions on Iran

17. Qin said China believes the purpose of UN Security Council Resolution 1803 on Iran is not to punish Tehran but to activate a new round of diplomatic negotiations. China hopes Iran will "take this seriously." In response to a question on the sanction's impact on China-Iran trade, Qin said bilateral trade relations have nothing to do with Iran's nuclear programs or the UNSC resolution and will not be affected.

Six-Party Talks

18. When asked about China's plans to arrange discussions between the United States and North Korea last week, Qin confirmed that Assistant Secretary Christopher Hill and Vice Foreign Minister Wu Dawei met on March 1 to discuss the Six-Party Talks. Qin said that all parties have maintained communication and consultations in various forms. He said communications have not been cut-off amongst any of the parties and remain "favorable."

China-Japan Dumpling Issue, Hu's Visit Not Postponed

¶9. Qin said China is approaching the poisoned dumpling investigation with a "highly responsible attitude." The investigation will be properly handled through bilateral cooperation. China urges all parties involved to stay "objective and rational" and respect "scientific and objective" conclusions. Qin said President Hu's planned visit to Japan has not been postponed.